

2007-2008 PERFORMANCE PLAN – Sr. Investment Officer, Fixed Income (C. Ishii)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	3 rd Quarter Status
45%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal—CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5	-134 bps {7.75 - 9.09}
25%	CalPERS Total Fund Performance	Net of Fees, excess return in basis points relative to total fund performance benchmark. Comp-PERS Total Fund All Portfolios- CalPERS Policy Index (Daily) {SJ1CA1 – CPERSTO2}	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5	-74 bps {(-1.94) - (-1.20)}
5%	Other Managed Fixed Income Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> (3%) High Quality LIBOR Fund – CalPERS Blended Libor Fed Fund Index (Daily) {SW3X – CPERLFFD} (1%) Short Duration Fund – CalPERS Blended Libor Fed Fund Index (Daily) (SW9D – CPERLFFD) (1%) CalPERS Internally Managed Short Term - State Street STIF net of fees {SJ10 – Y8K2} 	0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5 0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5 0 basis points = 0 + 5 basis points = 1.0 +10 basis points = 1.5	-228 bps {0.82 - 3.10} -537 bps {(-2.27) - 3.10} +3 bps {3.54 - 3.51}
5%	Internal Passive Currency Overlay Management	Net of Fees, return in basis points relative to: Passive currency overlay portfolio – PERS Pareto CCR {SW5PB – YET2}	> -50 basis points = 0 > -30 basis points = 1.0 > -20 basis points = 1.5	+1 bps {0.64 - 0.63}
5%	Active International Fixed Income Managers	Net of Fees, excess returns in basis points relative to: Aggregate of the International Fixed Income Managers - CalPERS World Govt X US: {SJDCA1 – CALWGXU2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5	-17 bps {23.07 - 23.24}
85%	Subtotal	Quantitative Measures		

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule	3 rd Quarter Status
15%	Leadership	<p>Demonstrate leadership within CalPERS and in the external investment community, as both industry and staff (or team) leaders. Dimensions, all of which will be considered, include:</p> <ul style="list-style-type: none"> • Within Investment Group (e.g., teamwork within and across asset classes, timely preparation of staff performance appraisals, appropriate employee recognition) • Trustees (e.g., written and oral presentations to Investment Committee and Investment Policy Subcommittee) • CalPERS (e.g., involvement in enterprise-wide initiatives and programs) • External Investment Community (e.g., relationships with external business partners and stakeholders, presentations at conferences and similar events, representation on external boards and committees) • Diversity (e.g., promote meaningful diversity among our investment partners and staff) • Succession Plan (e.g., training and developing strong internal Leadership candidates to potentially fill my role in the future) 	<p>Score (0 – 10)</p> <p>0 = 0 5=1.0 10=1.5</p>	<p>Conducted weekly meeting and was an active participant of the asset allocation meetings.</p> <p>Provided updates on mortgage and securities lending markets.</p> <p>Attended Leadership meetings.</p> <p>Participated in Credit Roundtable, Institutional Investors Fixed Income Forum. Advised Senate Board, General Counsel on mortgage crisis.</p> <p>Hired two additional diversity staff. Conducted bond business w/ diversity partners.</p> <p>Continued to work with and advise successor to myself.</p> <p>Continued development of internal FI staff with a framework of our expectations and progress.</p>
15%	Subtotal	Qualitative Measures		
100%	Total	Quantitative and Qualitative Measures		